

REMARKS

This Amendment is in response to the Office Action mailed September 16, 2003. The Office Action rejected claims 1, 3-7, 12, and 14-20 under 35 U.S.C. §103. Applicants herein add claims 21-22. Claims 1, 3-7, 12, and 14-22 remain pending in the application. Reconsideration in light of the amendments and remarks made herein is respectfully requested.

Rejections Under 35 U.S.C. § 103

The Office Action rejected claim 12 under 35 U.S.C. 103(a) as being unpatentable over Pare, Jr., et al. ("Pare") (U.S. Patent No. 6,230,148) in view of Randle et al. ("Randle") (U.S. Patent No. 5,974,146).

The Office Action also rejected claims 1-4, 13, and 14-15 under 35 U.S.C. 103(a) as being unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of Carlson et al. ("Carlson") (U.S. Patent No. 5,053,607) and further in view of Randle et al. (U.S. Patent No. 5,974,146).

The Office Action also rejected claims 5, 7-11, and 16-19 under 35 U.S.C. 103(a) as being unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of Carlson et al. (U.S. Patent No. 5,053,607) and further in view of Hills et al. ("Hills") (U.S. Patent No. 6,164,528).

The Office Action also rejected claim 6 under 35 U.S.C. 103(a) as being unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of Carlson et al. (U.S. Patent No. 5,053,607) and further in view of Hills et al. (U.S. Patent No. 6,164,528) and further in view of Randle et al. (U.S. Patent No. 5,974,146).

Applicants traverse this rejection in its entirety.

The Office has the burden under 35 U.S.C. 103 to establish a *prima facie* case of obviousness. *In re Piasecki*, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787 (Fed. Cir. 1984).

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). Applicants submit that neither Pare, Carlson, Randle, nor Hills teach or suggest every claimed limitation. Thus, regardless of whether or not Pare, Carlson, Randle, nor Hills can be combined with each other, Applicants submit that such a combination does not teach or suggest every limitation of the claimed invention.

Pare teaches a system for performing (1) tokenless (e.g., paperless) authorization of an electronic check (2) over a network (3) using biometric identification of the payor and payee (4) where a third party verification system receives transaction information and (5) verifies the biometric information and (6) and the transaction amount is credited to the payee's account. (Col. 4, lines 2-61).

Carlson teaches a point-of-sale device including (1) a slot through which to insert and slide a negotiable instrument (i.e., check), (2) a moving mechanism for moving the negotiable instrument across the slot, (3) a read head to read the negotiable instrument as it slides through the slot, and (4) a printing mechanism for printing on the rear side of the negotiable instrument as it slides across the slot. (Col. 3, lines 40-53; Col. 4, lines 29-57; Col. 7, lines 40-57).

Randle teaches an electronic bill presentment and payment system in which (1) a merchant sends a bill to the merchant's financial service provider, (2) the merchant's financial service provider sends the bills to the customer's financial service provider, (3) the customer's

financial service provider places the bill in the customer's billbox (5) from where the customer may electronically access, approve and pay the bill. (Col. 9, lines 1-22).

Lastly, Hills teaches a paperless point of sale system that (1) reads information from a customer's check or credit card, (2) debits the consumer's account and (3) credits the merchant's account for the goods and services provided. The system verifies the consumer's credit worthiness, and stores the transaction event information for subsequent bank reconciliation.

The present invention provides a patentably distinguishable system for performing online transactions using checks. In the claimed online transaction system (1) the client system places an order with an online merchant system over a network, (2) the client system selects a method of payment (i.e., by check), (3) the client system is connected to a check server, (4) the client enters personal identification information, (5) the check server transmits this information to a verification system, (6) the verification system issues an approval or denial of the check, (7) if an approval is sent, then the check server forwards the approval to the merchant system and stores the approval, (8) the merchant system sends an acknowledge message to the check server, (9) a check is printed at the merchant system.

Thus, Applicants submit that the following claimed limitations are not taught by Pare, Carlson, Randle, and/or Hills:

“printing a check” (Claims 1 and 16).

“printing a check with a secure printer connected to the check printing station at the location remote from the client computer” (Claim 6).

"generating a paper check with a secure printer at a location remote from the client computer." (Claim 22)

The Office Action alleges that Carlson teaches a check printing station at the remote location (Col. 10, lines 8-53; Figure 6). However, Applicants note that Carlson only teaches a point of sale device having a printer for printing on the reverse side of a check. (Col. 3, lines 40-53; Col. 4, lines 29-57; Col. 7, lines 40-57) Such printers are commonly used, for instance, at cashier registers to write information on the rear side of a check. These printers serve a different purpose than the claimed printers located at a remote location (e.g., merchant location) to generate or print a check that may then be presented by the merchant as a standard bank draft. The claimed printer actually prints or generates the check remotely, not merely adds information to the rear side of a check that has been received from a customer. Carlson simply does not teach how its point of sale printer may be used at a remote location to generate/print a new check where the customer's check is unavailable.

Assuming *arguendo* that Pare, Carlson, Randle, and/or Hills do teach or suggest every limitation of the claimed invention, Applicants argue that there is no motivation to combine the references.

"In determining the propriety of the Patent Office case for obviousness in the first instance, it is necessary to ascertain whether or not the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the reference before him to make the proposed substitution, combination, or other modification." *In re Linter*, 458 F.2d 1013, 1016, 173 USPQ 560, 562 (CCPA 1972).

As the motivation for combining the teachings of the cited references, the Office Action merely states it would have been obvious to one having ordinary skill in the art at the time the invention was made to combine the cited references "to protect the consumer from fraud." (Office Action 9/16/03, page 3, last paragraph).

The argument in the Office Action ignores the fact that several of the cited references teach away from the claimed invention, and none of the cited references suggest the desirability, or even feasibility, of printing and verifying checks over a network.

For instance, Pare explicitly recites “a method and device for tokenless authorization of an electronic check been a payor and a payee.” (Col. 4, lines 1-3). Additionally, Pare states “the substantial manufacturing and distributing costs of issuing and reissuing all personalized tokens such as paper checks ... will be eliminated.” (Col. 5, lines 22-39) Hills teaches away from the invention when it states “[t]he invention eliminates the need for paper checks with all bank reconciliation being accomplished electronically.” (Abstract, lines 14-16) Similarly, Carlson and Randle teach the advantages of electronic payment processing and do not teach or suggest why a printed check would be desirable. The cited references simply teach the advantages of electronic payment transactions.

None of the cited prior art references teach the desirability of first verifying a customer's ability to pay for a transaction and then printing or generating a paper check at a remote location (i.e., merchant system) that may then be presented as payment by the merchant for said transaction. Such architecture is one of the novel elements of the present invention and is completely missing from the cited references which only teach electronic payment systems. By contrast, one aspect of the claimed invention provides funds verification or guarantee of payment followed by printing of a paper check that a merchant may redeem or deposit at a bank or other locations.

For the reasons set forth above, Applicants submit that prima facie obviousness has not been established since the cited prior art does not teach or suggest every element of the claimed invention and there is no motivation to combine the prior art.

For at least the reasons discussed above, Applicants submit that the invention recited in claims 1, 3-7, 12, and 14-22 is patentably distinguishable over the cited prior art. Applicants

- respectfully request that the 35 U.S.C. § 103 rejections over Pare, Carlson, Randle, and Hills be withdrawn.

Conclusion

In view of the amendments and remarks made above, it is respectfully submitted that the pending claims are in condition for allowance, and such action is respectfully solicited.

Authorization is hereby given to charge our Deposit Account No. 19-2814 for any charges that may be due. Furthermore, if an extension is required, then Applicants hereby request such an extension.

Respectfully submitted,

Snell & Wilmer, L.L.P.

I hereby certify that this document and fee is being deposited on December 16, 2003 with the U.S. Postal Service as first class mail under 37 C.F.R. 1.8 and is addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313

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